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| 11   | approximately 7,000 timely-filed claims   | Attorneys for Fire Victim Claimants with   |
| 12   |   | Approximately 4,300 timely-filed claims  |
| 13   |   |  |
| 14   |   | BANKRUPTCY COURT   |
|  |   |  |
|  |   | RICT OF CALIFORNIA   |
| 15   | SAN FRANC   | RICT OF CALIFORNIA<br>CISCO DIVISION   |
|  |   | CISCO DIVISION  Bankruptcy Case  |
| 15<br>16   | In re PG&E CORPORATION and  | CISCO DIVISION  Bankruptcy Case No. 19-30088 (DM)  |
| 15<br>16<br>17   | In re PG&E CORPORATION and PACIFIC GAS AND ELECTRIC   | CISCO DIVISION  Bankruptcy Case  |
| 15<br>16   | In re  PG&E CORPORATION and PACIFIC GAS AND ELECTRIC COMPANY,   | CISCO DIVISION  Bankruptcy Case No. 19-30088 (DM) Chapter 11 (Lead Case) (Jointly Administered)  |
| 15<br>16<br>17   | In re PG&E CORPORATION and PACIFIC GAS AND ELECTRIC   | Disco Division  Bankruptcy Case  No. 19-30088 (DM) Chapter 11  |
| 15<br>16<br>17<br>18   | In re  PG&E CORPORATION and PACIFIC GAS AND ELECTRIC COMPANY,  Debtors.  Affects PG&E Corporation   | Bankruptcy Case No. 19-30088 (DM) Chapter 11 (Lead Case) (Jointly Administered) SUPPLEMENT TO JOINDER BY 11,300 INDIVIDUAL FIRE VICTIM CLAIMANTS TO DK. NO. 6973, REPLY  |
| 15<br>16<br>17<br>18<br>19<br>20                                     | In re  PG&E CORPORATION and PACIFIC GAS AND ELECTRIC COMPANY,  Debtors.  Affects PG&E Corporation Affects Pacific Gas and Electric Company  | Bankruptcy Case No. 19-30088 (DM) Chapter 11 (Lead Case) (Jointly Administered) SUPPLEMENT TO JOINDER BY 11,300 INDIVIDUAL FIRE VICTIM CLAIMANTS TO DK. NO. 6973, REPLY TO DK. NO. 6944, REGARDING   |
| 15<br>16<br>17<br>18<br>19<br>20<br>21                               | In re  PG&E CORPORATION and PACIFIC GAS AND ELECTRIC COMPANY,  Debtors.  Affects PG&E Corporation   | Bankruptcy Case No. 19-30088 (DM) Chapter 11 (Lead Case) (Jointly Administered) SUPPLEMENT TO JOINDER BY 11,300 INDIVIDUAL FIRE VICTIM CLAIMANTS TO DK. NO. 6973, REPLY  |
| 15<br>16<br>17<br>18<br>19<br>20                                     | In re  PG&E CORPORATION and PACIFIC GAS AND ELECTRIC COMPANY,  Debtors.  Affects PG&E Corporation  Affects Pacific Gas and Electric Company  Affects both Debtors   | Bankruptcy Case No. 19-30088 (DM) Chapter 11 (Lead Case) (Jointly Administered)  SUPPLEMENT TO JOINDER BY 11,300 INDIVIDUAL FIRE VICTIM CLAIMANTS TO DK. NO. 6973, REPLY TO DK. NO. 6944, REGARDING ABRAMS MOTION TO DESIGNATE IMPROPERLY SOLICITED VOTES  |
| 15<br>16<br>17<br>18<br>19<br>20<br>21                               | In re  PG&E CORPORATION and PACIFIC GAS AND ELECTRIC COMPANY,  Debtors.  Affects PG&E Corporation  Affects Pacific Gas and Electric Company  Affects both Debtors  *All papers shall be filed in the Lead Case, | Bankruptcy Case No. 19-30088 (DM) Chapter 11 (Lead Case) (Jointly Administered)  SUPPLEMENT TO JOINDER BY 11,300 INDIVIDUAL FIRE VICTIM CLAIMANTS TO DK. NO. 6973, REPLY TO DK. NO. 6944, REGARDING ABRAMS MOTION TO DESIGNATE IMPROPERLY SOLICITED VOTES  Date: May 12, 2020  |
| 15<br>16<br>17<br>18<br>19<br>20<br>21<br>22                         | In re  PG&E CORPORATION and PACIFIC GAS AND ELECTRIC COMPANY,  Debtors.  Affects PG&E Corporation  Affects Pacific Gas and Electric Company  Affects both Debtors  *All papers shall be filed in the Lead Case, | Bankruptcy Case No. 19-30088 (DM) Chapter 11 (Lead Case) (Jointly Administered)  SUPPLEMENT TO JOINDER BY 11,300 INDIVIDUAL FIRE VICTIM CLAIMANTS TO DK. NO. 6973, REPLY TO DK. NO. 6944, REGARDING ABRAMS MOTION TO DESIGNATE IMPROPERLY SOLICITED VOTES  Date: May 12, 2020 Time: 10:00 a.m. (Pacific) Place: United States Bankruptcy Court:  |
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Case: 19-30088 Doc# 7132 Filed: 05/08/20 Entered: 05/08/20 16:15:26 Page 1 of 4

28 ||

TO THE COURT, ALL INTERESTED PARTIES, AND ALL ATTORNEYS OF RECORD

The Singleton Law Firm, APC, Marshack Hays LLP, and their co-counsel represent approximately 7,000 victims of the 2015 Butte Fire, the 2017 North Bay Fires, and the 2018 Camp Fire. The Frantz Group, APLC, Bridgford, Gleason & Artinian, McNicholas & McNicholas, LLP, and their co-counsel represent approximately 4,300 victims of the 2017 North Bay Fires and the 2018 Camp Fire. Collectively, the undersigned represent over 11,300 unique claimants who timely-filed Notices of Claim by the Bankruptcy Court's Bar Date.

## **BACKGROUND**

On April 20, 2020, William Abrams ("Abrams") filed a Motion to Designate Improperly Solicited Votes Pursuant to 11 U.S.C. §1125(B) and 1126(E) and Bankruptcy Rule 2019 ("Motion") (Dk. No. 6799). The Motion sought an order declaring that the votes in favor ofthe Plan for Reorganization ("Plan") cast by more than 13,000 individual fire victims represented by the law firm of Watts Guerra were improperly solicited. The affect of the relief sought by Abrams would be that these 13,000+ votes would not be counted in the overall vote on the Plan.

Watts Guerra filed its Preliminary Opposition to Abrams' Motion the same day (Dk. No. 6801).

Attorney Steven Kane, on behalf of Karin Gowins, then filed a joinder to Abrams' Motion

(Dk. No. 6944) ("Joinder"), and Abrams himself subsequently filed a Response (Dk. No. 6946)

("Response") (Dk. No. 6964). Abrams and Gowins are jointly referred to herein as "moving parties".

On April 28, 2020, Watts Guerra filed an Opposition to the Joinder by Kane/Gowins ("Opposition") (Dk. No. 6973).

On April 29, 2020, the Singleton Law Firm, Marshack Hays, the Frantz Law Group, and Bridgford, Gleason & Artinian filed a joinder to Watts Guerra's Opposition on behalf of the 11,300 individual fire victim claimants represented by these firms and their co-counsel. *See* Dk. No. 6983.

On May 6, 2020, Attorney Kane filed a supplemental joinder on behalf of Gowins. *See*, Dk. No. 7073.

Case: 19-30088 Doc# 7132 Filed: 05/08/20 Entered: 05/08/20 16:15:26 Page 2 of

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## **SUPPLEMENT TO JOINDER IN OPPOSITION**

While long on invective and accusations, the supplemental joinder and declaration filed by Attorney Kane on May 6 (Dk. No. 6876) does <u>not</u> contain any evidence that Watts Guerra acted in any manner that was contrary to the best interests of its clients or the fire victims as a whole. It certainly does <u>not</u> contain any evidence that would support the extraordinary remedy sought: to wit, the disenfranchisement of over 13,000 fire victims who have already cast their votes in a manner approved by this Court.<sup>1</sup>

As set forth in detail in the Opposition filed by Watts Guerra (Dk. No. 6973), many (if not most) law firms employ lines of credit to fund normal business operations. This is a common practice, and has been routinely approved by state and federal courts of all levels.

The undisputed evidence is that the loan at issue here is typical bank loan with a four-year term and a flat, non-usurious rate of interest. *See*, Decl. of Mikal Watts, Dk. No. 6973-1, ¶4. It is not secured by personal guaranties of the principals of the firm, nor is it a "litigation financing" vehicle in which an investor funds a particular case and receives a percentage of the fees generated by that case. *Id.* It is not specific to the PG&E fire litigation, but is used to fund Watts Guerra's offices around the country. *Id.* As such, the lenders do <u>not</u> have the ability to make any decisions in either the PG&E litigation or any other cases being handled by Watts Guerra.

There is nothing improper about this manner of financing, and the fact that certain multi-billion dollar investment firms whose portfolios include PG&E stocks and bonds independently purchased a portion of an already existing loan with a fixed term and rate of interest does not create a conflict of interest for Watts Guerra.

Thus, the information presented by the moving parties does <u>not</u> demonstrate that the Watts Guerra firm violated any rule of professional conduct or any duties owed to their clients.

Moreover, the law makes clear that third parties do not have standing to raise these issues. To the extent that any of Watts Guerra's clients feel that they have not been properly

<sup>&</sup>lt;sup>1</sup> See, Order of the Bankruptcy Court Establishing and Approving Plan Solicitation and Voting Procedures (Dk. No. 6340), p. 12, ¶13(a).

Dated: May 8, 2020

represented, there are remedies available to them. However, there is no legal or equitable precedent for the extraordinary remedies the moving parties have requested.

A cursory review of the facts make clear what is happening here. The moving parties are part of a very small, but very vocal, group that have made their opposition to the Debtors' Plan of Reorganization assiduously clear. Faced with the prospect of losing the vote by a large margin, the moving parties have resorted to attempting to disenfranchise a large group of fire victims with whom they do not agree. This is not appropriate, as all fire victims deserve to have their voices heard.

Accordingly, undersigned counsel respectfully request that this Court deny the moving parties' requests.

Respectfully submitted,

MARSHACK HAYS, LLP

By: /s Richard Marshack Richard A. Marshack, Esq. D. Edward Hays, Esq. Laila Masud, Esq.

SINGLETON LAW FIRM, APC Gerald Singleton, Esq. John C. Lemon, Esq.

FRANTZ LAW GROUP, APLC Janes Frantz, Esq. Regina Bagdasarian, Esq.

BRIDGFORD, GLEASON & ARTINIAN Richard Bridgford, Esq.

McNICHOLAS & McNICHOLAS, LLP Patrick McNicholas, Esq.

Attorneys for approximately 11,300 Fire Victim Claimants